

ATTACHMENT C

DOCKET NO. 10831

APPLICATION OF SOUTHWESTERN BELL	§	PUBLIC UTILITY COMMISSION
TELEPHONE COMPANY TO REVISE ITS TARIFF	§	
TO REDEFINE THE POINT OF DEMARCATION	§	OF TEXAS
("DEMARC") AND THE LOCATION OF THE	§	
NETWORK INTERFACE (NI)	§	

ORDER

In open meeting at its offices in Austin, Texas, the Public Utility Commission of Texas (Commission) finds that this docket was processed in accordance with applicable statutes and Commission rules by an Administrative Law Judge (ALJ) who prepared findings of fact and conclusions of law based on the record. The parties resolved all material issues through agreement.

The Commission **ADOPT** the following findings of fact and conclusions of law:

Findings of Fact

1. On December 27, 1991, Southwestern Bell Telephone Company (SWB) filed an application to revise its tariff to redefine the point of demarcation and the location of the network interface.

2. The effective date of the proposed tariffs was suspended under P.U.C. SUBST. R. 23.24(i) and by agreement of SWB until June 15, 1994 to accommodate the parties' negotiations and SWB's revisions of its application.

3. This application was filed in response to the June 14, 1990 Federal Communications Commission (FCC) Report and Order and Further Notice of Proposed Rulemaking in CC Docket 88-57 which established new definitions for the demarcation point (demarc) of telecommunication services provided by the local telephone companies. CC Docket 88-57 seeks to expand the deregulation to inside wire in buildings and installations. Thus, single-unit installations will, and multi-unit installations may, have one demarc point

for their installation. The wire on the customer side of the demarc point will be placed and service on a competitive basis.

4. CC Docket 88-57 provides:

- (a) That the point of demarcation between the telephone company network and the customer premises wiring begins at the minimum point of entry on single customer premises;
- (b) The owner of a building (or installation) with multiple customers may designate whether to maintain multiple demarcation points at each customer premises or to establish one demarcation point at the minimum point of entry to the building (or installation);
- (c) That customer may connect simple inside wire to existing wire on the customer (building owner's) side of the demarcation point;
- (d) That the telephone company may disconnect service when harm occurs to the network as a result of customer-installed cable and equipment;
- (e) That certain requirements for acceptance testing be eliminated and provides jack and plug requirements; and
- (f) That the telephone companies are encouraged to develop and distribute an informational brochure on the rights of subscribers to perform inside wire operations.

5. The following parties intervened in this docket: the Office of Public Utility Counsel, Amien G. Joseph, Sr., AT&T Communications of the Southwest, Inc. (AT&T), the General Services Commission (GSC), Hines Interests Limited Partnership, the Department of Defense and other Federal Executive Agencies. The Office of Public Utility Counsel withdrew from participation prior to the hearing on the merits. Mr. Amien G. Joseph, Sr. was removed as a party after he moved, failed to provide a forwarding address, and failed to participate in the proceedings.

6. Interim approval of a portion of the proposed tariff was granted on October 1, 1992. This portion of the tariff removed safety requirements previously imposed on the customer side of the demarcation point at mobile premises. The requirements were eliminated provided that customers properly bond and ground their premises and any equipment and wiring on their side of the demarcation point. The interim tariff clarified that SWB is not liable

for any failure on the part of the customer to properly bond and ground the premises and the equipment and wiring on the customer side of the demarcation point. This modification to SWB's tariff substantially reduced the cost for seasonal visitors to interconnect a mobile premises to the local exchange network.

7. Prehearing conferences were conducted on January 21, 1992, July 6, 1992, October 2, 1992, June 7, 1993, and September 20, 1993.

8. SWB provided notice of this application by statewide newspaper publication once a week for two consecutive weeks and by mail to all SWB customers. SWB filed affidavits reflecting completion of the publication and mailing of notice on March 12, 1992.

9. On September 8 and 11, 1992, SWB filed an amended application which attempted to address concerns raised by the other parties. Based on the revised application, the ALJ ordered SWB to provide additional notice regarding the application. On January 13, 1993, SWB filed affidavits reflecting that it provided the required notice to all SWB customers through bill inserts and published notice in *Telephony* magazine.

10. On February 19, 1993, SWB filed a motion seeking a continuance. After review of the other parties' testimony, SWB decided to make substantial modifications to its application. These modifications required the revision of SWB's testimony and amendment of SWB's prior discovery responses. On April 12, 1993, SWB filed its revised application, revised testimony, and supplemental responses to previous discovery requests.

11. A new procedural schedule was established to allow the parties to file testimony responding to the revised application, and after a continuance agreed to by all parties, the hearing on the merits convened on January 5, 1994.

12. The hearing on the merits continued on January 7, 10, 11, 12, 13, 14, 18, and 19 and recessed on January 20, for settlement discussions. On January 24, the hearing on the merits reconvened and recessed until January 27, 1994.

when the parties filed a partial stipulation and agreement which resolved certain contested issues. The hearing on the remaining contested issues continued on January 27, 1994, and again recessed for settlement discussions.

13. On April 1, 1994, the parties filed a stipulation and agreement which resolved all remaining issues. The hearing on the merits continued on April 4, and 25, 1994, to discuss clarifying questions regarding the stipulation.

14. The application, as revised by the stipulation, provides that a single demarcation point will be established in an existing multi-unit installation when:

- (a) The installation owner requests a single demarcation point;
- (b) The installation owner or customer attaches to the cable or other facilities on the installation owner's side of the minimum point of entry; or
- (c) The existing facilities to the installation are exhausted or expire, at the election of the installation owner.

15. The application, as revised by the stipulation, provides that a single demarcation point will be established in an existing single-unit installation when:

- (a) The installation owner requests a single demarcation point;
- (b) The installation owner or customer attaches to the cable or other facilities on the building owner's side of the minimum point of entry;
- (c) The existing facilities to the installation are exhausted or expire; or
- (d) SWB determines through regular service order activity or customer premises work that a particular installation constitutes a single-unit installation.

16. Each tenant in a multi-unit installation will be treated as a single-unit so long as the multi-unit installation owner retains multiple demarcation points.

17. If SWB must acquire an easement, license, lease, or right-of-way from an installation owner to install or maintain facilities to the owner's tenants, these rights may be acquired through condemnation, arbitration, or negotiation. The payments may be recurring or non-recurring. Such payments will be treated for accounting purposes in the same manner as payments for other easements, licenses, or rights of way.

18. If the cost to obtain an easement, license, lease or right-of-way is not reasonable or economical, SWB may establish a single demarcation point at the minimum point of entry to the premises upon six months written notice to the property owners and tenants. In that event, the cost to relocate facilities to establish a single demarcation point will be borne by SWB.

19. SWB will maintain a tracking report detailing all payments to installation owners to access their tenants. Such report shall be updated quarterly and an annual filing stating the total amount paid shall be filed with the Commission.

20. The General Counsel may contest the inclusion of payments to installation owners to access tenants as a cost of service in a general rate proceeding, a proceeding to review the revenue sharing provisions in the Commission's Final Order in Docket No. 8585, or in a proceeding filed to address such payments. The purpose of the tracking reports is to allow the Commission to gather information concerning this issue to evaluate the appropriate treatment and allocation of such costs.

21. When a single point of demarcation is established, the installation owner, or customer, as appropriate, will have the "allowed use" of the cable and facilities on the non-network side of the demarcation point. "Allowed use" means that the installation owner or customer may use and control the cable including reconfiguring, rearranging, reusing, and removing it.

22. Cable and facilities do not qualify for allowed use in the following situations (subject to the exceptions for State agencies and other political subdivisions identified in Finding of Fact No. 30):

- (a) There are other customers (in other installations) served by pairs in the same cable sheaths serving the installation;
- (b) There are services within the cable sheath that require network channel terminating equipment (NCTE);
- (c) There are other cables in the same duct or buried along the same easement, that the installation owner wishes to use, that cross the rights-of-way to serve SWB customers in other installations; or,
- (d) There are other cables on the same pole that the installation owner wishes to use that cross the rights-of-way to serve SWB customers in other installations.

23. Installation owners may remove certain of the obstacles to allowed use by agreeing to pay for relocation of NCTE to the minimum point of entry; by agreeing to pay to rearrange the cable and facilities so they qualify for allowed use; or, by getting permission from appropriate authorities controlling the pole and right-of-way to allow a pole attachment and the use of the right-of-way.

24. If an installation has a shared services arrangement under the Joint User provisions of SWB's General Exchange Tariff, allowed use of intra-building or intra-installation cable is conditioned on the requirement that the joint user provider allow tenants reasonable access to the cable and facilities on the non-network side of the demarcation point so they can subscribe to service directly from SWB.

25. Attachment I to this Order identifies when and what charges apply to establish a single demarcation point in single and multi-unit installations. There is no charge for allowed use of cable once the minimum point of entry demarcation point has been established.

26. To allow installation owners a reasonable opportunity to make appropriate arrangements for assuming the use and control of the cable and other facilities on the non-network side of the demarcation point, SWB will

allow installation owners not more than 12 months to prepare to assume the use and control of the cable and facilities. Until the installation owner is prepared to assume the use and control of the facilities, SWB will continue to treat the in-place cable and facilities as network facilities.

27. The installation owner may request SWB to establish a single demarcation point at any time during the 12-month period, provided SWB is given adequate notice prior to the date the single demarcation point is to be effective. SWB must be given 90 days notice if NCTE is to be relocated and 30 days notice in other cases.

28. SWB will continue to provide service to existing Plexar arrangements until the expiration of the current contracts. At the expiration of the current contracts, the demarcation provisions approved in this proceeding will apply. Any material modification, extension, or renewal of an existing Plexar contract shall be considered the "expiration" of the contract for demarcation purposes.

29. If there is NCTE in a single-unit installation, SWB may continue to provide NCTE to customers of existing designated circuits and the demarcation point for such services shall not be moved so long as the NCTE remains in place and no additional designed circuits are installed that require new cable or facilities.

30. SWB agrees to recognize installations shared by state governmental and other political subdivisions as single-unit installations for demarcation purposes. Any such arrangements would remain subject to any applicable provisions of the Joint User section of SWB's General Exchange Tariff. SWB agrees to work with the various state government and other political subdivisions to determine the lowest cost for the arrangement of facilities in those instances where they request a single demarcation point and a facility rearrangement charge would apply.

31. SWB will recognize military installations as multi-unit where, in addition to military offices, there are also retail establishments, residences or other entities at that installation.

32. When a single demarcation point is established at an installation, SWB will continue to keep the investment associated with the cables and facilities on the non-network side of the demarcation point on SWB's books for regulatory accounting purposes. SWB shall continue to earn a return on and depreciate the unrecovered portion of the investment associated with cable and facilities on the non-network side of the demarcation point.

33. SWB shall maintain accurate documents of the locations where a single demarcation point is established to allow a later determination of the investment associated with the cable and facilities moved to the non-network side of the demarcation point. Interested parties may seek special amortization of the unrecovered portion of the investment associated with such cable and facilities in the event the amounts become significant.

34. The GSC raised a complaint in this proceeding concerning rates charged under the private line tariff. This complaint was not considered in this proceeding and may be brought as a separate complaint by the GSC. Until otherwise ordered by the Commission, GSC expressly agreed that it would not seek the disallowance of the unrecovered investment associated with the cable and facilities on the installation owners' side of the demarcation point from SWB's rate base.

35. In the limited circumstance when cable and facilities are purchased by an installation owner upon the establishment of a single demarcation point, the sales price may be established using the structural value methodology.

36. SWB will provide, without charge, copies of the cable records available for an installation where installation owners or customers either have allowed use of the cable or have purchased the cable. SWB will not have any obligation to create cable records as a condition of sale or as a prerequisite to allowed use.

37. After approval of this application, new single-unit installation owners must have a single demarcation point and will not be able to have their

installation cabled by SWB on a regulated basis. The installation may be cabled by SWB or another cable provider on a non-regulated, competitive basis.

38. After approval of this application, new multi-unit installations cabled by SWB, on a regulated basis, with multiple demarcation points cannot establish a minimum point of entry demarcation point and receive allowed use of the intra-installation cable until nine years after SWB's latest cable reinforcement in that installation. Prior to that time, if installation owners wish to access the cable they must purchase the cable.

39. When a customer chooses to establish a single demarcation point, the property owner may elect to install their own cable and facilities. SWB will remove its cable, if requested and feasible, at no charge.

40. SWB's tariff definition of demarcation point mirrors the FCC definition stated in CC Docket 88-57 with the following modifications:

- (a) The effective date specified in the tariff will be the date of the final order in this docket;
- (b) SWB will not immediately establish a minimum point of entry for all multi-unit installations but will accommodate customer preferences, as allowed by the FCC;
- (c) Where location of the demarcation point within twelve inches of the point of entry to the building or installation is unrealistic or technically impossible, the demarcation point will be the most practical minimum point of entry;
- (d) SWB will relocate multiple demarcation points to a single demarcation point in a manner that minimizes the charges or other adverse impacts to the installation owners or customers; and,
- (e) Language referring to establishing a practice that places all demarcation points at a minimum point of entry was deleted.

41. The Commission Staff reviewed this application and stipulation for privacy issues under P.U.C. SUBST. R. 23.57(c). Currently, SWB provides cable records (for example, diagrams of telephone cable in the building that identify the cable serving each office) to installation owners or shared tenant service providers when they purchase the cable for their installation. Under this application, the same information will be provided to installation

owners when they have allowed use of the cable for their installation. The Commission Staff takes the position that this application results in a minor change in the outflow of information about a customer and therefore raises a privacy issue.

42. The loss of privacy resulting from the change in the outflow of information from this application is minimal. The cable record information is already being provided to installation owners and shared tenant service providers upon the purchase of the cable. There is no way to restore the lost degree of privacy because this information must be released for installation owners to be able to maintain the existing cable in their installation. To preclude installation owners from getting these cable records would prevent them from establishing a single demarcation point at the minimum point of entry to the installation.

43. SWB shall provide direct mail notice via a Commission Staff approved notice to all customers within 40 days of a final order in this proceeding. All business customers will be provided further information in a detailed Commission Staff approved brochure within 90 days of a final order in this proceeding.

Conclusions of Law

1. SWB is a public utility as that term is defined in § 3(c) of the Public Utility Regulatory Act (PURA), Tex. Rev. Civ. Stat. Ann. art. 1446c (Vernon Supp. 1994).

2. The Commission has jurisdiction over this matter pursuant to PURA §§ 16 and 18.

3. The effective date of the proposed tariffs was properly suspended in accordance with P.U.C. SUBST. R. 23.24(i).

4. Partial interim approval was properly granted in this docket pursuant to P.U.C. PROC. R. 22.125, formerly P.U.C. PROC. R. 21.84(c), which allows the Examiner to grant interim relief by agreement of the parties.

5. SWB provided notice of this proceeding in compliance with P.U.C. PROC. R. 22.55, formerly, P.U.C. PROC. R. 21.25(a).
6. The proposed terms of service are not in conflict with the ruling of any federal regulatory body within the meaning and intent of § 37 of PURA.
7. The proposed terms of service are not unreasonably preferential, prejudicial or discriminatory within the meaning and intent of § 38 of PURA.
8. The proposed tariff complies with P.U.C. SUBST. R. 23.57, because to the extent there is a lost degree of privacy, there is good cause not to restore the lost degree of privacy.

The Commission further issues the following Order:

1. SWB's application, as modified by the stipulation, to establish tariffs to implement the directive of the FCC Docket 88-57 is **GRANTED**.
2. SWB is **ORDERED** to maintain tracking reports as described in Finding of Fact No. 19, and to file quarterly notification that such confidential report has been updated and annual reports stating the aggregate amount paid to installation owners. Such quarterly and annual filings shall be filed in Project No. 13053, styled *Southwestern Bell Tracking Reports in Compliance with Docket No. 10831*. The confidential tracking reports shall only be available to the Commission Staff and General Counsel. SWB may seek to have the need for these tracking reports reconsidered in its next general rate proceeding or after a period of five years has elapsed from the date this order is final.
3. Within 20 days after the date of this Order, SWB shall file with the Commission six copies of all pertinent tariff sheets revised to incorporate all of the directives of this Order and shall serve one copy upon each party of record.

No later than ten days after the date of the tariff filing by SWB, or the signing of the Final Order, whichever date is later, the parties may file any objections to the tariff proposal and the General Counsel shall file the staff's comments recommending approval, modification, or rejection of the individual sheets of the tariff proposal. Responses to objections shall be filed no later than 15 days after the filing of the tariff or the signing of the Final Order, whichever date is later.

The Hearings Division shall by letter approve, modify, or reject each tariff sheet, effective the date of the letter, based upon the materials submitted to the Commission under the procedure established herein. The tariff sheets shall be deemed approved and shall become effective upon the expiration of 20 days after the date of filing, or the signing of the Final Order, whichever date is later, in the absence of written notification of approval, modification, or rejection by the Hearings Division.

In the event that any sheets are modified or rejected, SWB shall file proposed revisions of those sheets in accordance with the Hearing Division letter within ten days after the date of that letter, with the review procedures set out above again to apply. Copies of all filings and of the Hearings Division letter(s) under this procedure shall be served on all parties of record and the General Counsel.

4. Within 20 days after the date of this Order, SWB shall file with the Commission six copies of its proposed direct notice.

No later than ten days after the date of the proposed notice filing by SWB, the parties may file any objections to the proposed notice and the General Counsel shall file the

staff's comments recommending approval, modification, or rejection of the proposed notice. Responses to objections shall be filed no later than 15 days after the filing of the proposed notice.

The General Counsel shall by letter approve, modify, or reject the proposed notice based upon the materials submitted to the Commission under the procedure established herein. The proposed notice shall be deemed approved upon the expiration of 20 days after the date of filing in the absence of written notification of approval, modification, or rejection by the General Counsel.

In the event that the proposed notice is modified or rejected, SWB shall file proposed revisions to the notice in accordance with the General Counsel letter within ten days after the date of that letter, with the review procedures set out above again to apply. Copies of all filings and of the General Counsel letter(s) under this procedure shall be served on all parties of record.

5. Within 40 days after the date of this Order, SWB shall file with the Commission six copies of its proposed informational brochure.

No later than fifteen days after the date of this filing by SWB, the parties may file any objections to the proposed informational brochure and the General Counsel shall file the staff's comments recommending approval, modification, or rejection of the proposed informational brochure. Responses to objections shall be filed no later than 25 days after the filing of the proposed informational brochure.

The General Counsel shall by letter approve, modify, or reject the proposed informational brochure based upon the materials submitted to the Commission under the procedure

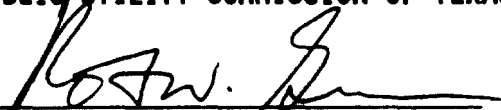
established herein. The informational brochure shall be deemed approved upon the expiration of 35 days after the date of filing in the absence of written notification of approval, modification, or rejection by the General Counsel.

In the event that the proposed informational brochure is modified or rejected, SWB shall file proposed revisions to the informational brochure in accordance with the General Counsel letter within ten days after the date of that letter, with the review procedures set out above again to apply. Copies of all filings and of the General Counsel letter(s) under this procedure shall be served on all parties of record.


6. All motions, applications, and requests for entry of specific findings of fact and conclusions of law and any other request for relief, general or specific, are hereby **DENIED** for lack of merit if not expressly granted herein.

SIGNED AT AUSTIN, TEXAS this 9th day of June 1994.

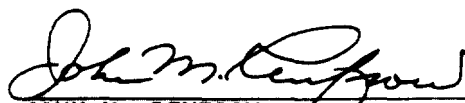
PUBLIC UTILITY COMMISSION OF TEXAS


ROBERT W. GEE, CHAIRMAN


KARL R. RABAGO, COMMISSIONER


SARAH GOODFRIEND, COMMISSIONER

ATTEST:


JOHN M. RENFROW
SECRETARY OF THE COMMISSION

When charges apply to establish cross-connect at MPOE or to move NCTE

Chart does not apply to rearranging facilities within common cables, because for those situations charges will always apply and some rearrangement may be deregulated

Existing Properties (as of PUC Order date) below:	<i>1</i> <i>Customer request</i>	<i>2</i> <i>Customer attaches to Company cable</i>	<i>3</i> <i>Facility Exhaust</i>	<i>4</i> <i>Facility Expiration</i>	<i>5</i> <i>Discover Single-Unit with Multiple Demarcs</i>
<i>A</i> Single-unit with cross-connect and no NCTE	No Charge	(attaches to premises wire) No Charge	No Charge	No Charge	No Charge
<i>B</i> Single-unit with no cross-connect or with NCTE	SOC and trip charge per event; COAC per line; NCTE - P.L. - NRC ¹	(attaches to premises wire) Same as 1B	No Charge	No Charge	No Charge
<i>C</i> Multi-unit with cross-connect and no NCTE	No Charge	(attaches to common wire) Notice/ Option to Building Owner to go to single demarc No Charge	Notice/ Option to Building Owner to go to single demarc No Charge	Notice/ Option to Building Owner to go to single demarc No Charge	Not Applicable
<i>D</i> Multi-unit with no cross-connect or with NCTE	Same as 1B	(attaches to common wire) Notice/ Option to Building Owner to go to single demarc Same as 1B	Notice/ Option to Building Owner to go to single demarc No Charge	Notice/ Option to Building Owner to go to single demarc No Charge	Not Applicable

¹ SOC - Service Order Charge; COAC - Central Office Access Charge; NCTE - Network Channeling

ATTACHMENT D

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PUBLIC NOTICE

The Public Utility Commission of Texas ("PUC") will conduct a public hearing in Docket No. 14147 at 10:00 a.m. on Thursday, December 7, 1995 at the Commission's offices located at 7800 Shoal Creek Boulevard, Austin, Texas. Docket No. 14147 concerns a joint complaint filed by GE Capital-ResCom, and MultiTechnology Services, L.P. (Complainants) complaining of certain actions of GTE Southwest Incorporated ("GTE-SW"). Specifically, Complainants allege that GTE-SW has refused their requests to relocate the network demarcation points in certain of Complainants multi-unit properties. Complainants allege that such action is in violation of GTE-SW's tariffs; in violation of the requirements of the Federal Communications Commission ("FCC") in Docket No. 88-57 and Part 68.3 of the FCC Rules; and/or in violation of the requirements of the Public Utility Regulatory Act of 1995, S.B. 319, 74th Leg., R.S. 1995 ("PURA-95"). Complainants request that the Commission construe GTE-SW's tariff and issue an order requiring GTE-SW to comply with its tariff by allowing Complainants to relocate their network demarcation points to the minimum point of entry ("MPOE") as requested.

GTE-SW has denied all of the Complainants' allegations and asserts that its refusal to relocate the demarcation points as requested is in compliance with its tariff and is in compliance with the requirement of the FCC order and rules.

The Commission's decision in this proceeding will resolve the dispute between Complainants and GTE-SW and may establish Commission precedent concerning the location of the network demarcation points for multi-unit properties in GTE-SW service territory.

The Commission has jurisdiction to consider this complaint pursuant to its authority under §§1.401, 3.051, 3.201, 3.210, 3.215, and 3.217 of PURA-95. A procedural schedule has been established requiring the submission of prefiled direct testimony by interested persons and leading to a hearing on the merits to begin at 10:00 a.m., Thursday, December 7, 1995. The hearing will be held pursuant to the requirements of the Administrative Procedure Act, Tex. Gov't Code §2001.001, et. seq., (Vernon's Pamph. 1995).

Any person who wishes to participate in this proceeding should file a motion to intervene by 3:00 p.m., Friday, October 27, 1995. Motions to Intervene should be mailed or delivered to the Public Utility Commission of Texas, 7800 Shoal Creek Boulevard, Austin, Texas 78757 and should specifically refer to Docket No. 14147. Faxed material is not acceptable for filing. Potential intervenors are encouraged to act quickly because prefiled direct testimony from intervenors is due on November 3, 1995. Further information may be obtained by calling the PUC Consumer Affairs Office at (512) 458-0256 or, (512) 458-0221, for text telephone.



ATTACHMENT E

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PUC STAFF RECOMMENDATION OF JOHN COSTELLO

1 John Costello is an Assistant Director in the Industry Analysis Division of the Public Utility Commission. In addition to his educational experience, Mr. Costello has thirteen years of professional experience in the administration, interpretation and presentation of rules, regulations, rates and charges pertaining to various sections of telephone company tariffs. Mr. Costello's recommendations in this proceeding are based upon his extensive expertise with Texas telecommunication regulation, his familiarity with FCC rules and regulations, including its demarcation and demarcation point issues, and his reading of FCC Docket No. 88-57. Mr. Costello recommends that the Commission issue the following orders in Docket No. 14147:

a Order GTESW to collapse the multiple demarcation points on all properties that are the subject of this proceeding, to a singular demarcation point at a minimum point of entry in a manner that minimizes any resultant charges or other adverse impact to either building owners or customers, upon request of the premise owner or his agent. In addition, GTESW should be ordered to adhere to a policy of complying with an owner's (or authorized representative's) request to relocate multiple demarcation points to a singular demarcation point at the minimum point of entry.

b For those installations where no wiring additions or reinforcement of cable, at the customer's request, have been made prior to the effective date of an order in this proceeding, GTESW should be ordered to move multiple demarcation points to a singular demarcation point at a minimum point of entry upon request, on a below-the-line basis, charging only for the facilities rearrangement necessary to establish the singular demarcation point.

c To protect the telephone company and the general body of its rate payers from bearing undue costs associated with the placement of cable facilities on a customer's premises in new installations of cable facilities, occurring after the effective date of an order in this proceeding, Mr. Costello recommends that the Commission order GTESW to adopt a provision in its tariff that explains the rights of premise owners when new cable facilities are placed at their premises. Specifically, Mr. Costello recommends that the provision inform owners of new multiunit locations that they may request a move of the demarcation point either upon purchase of the cable facilities or nine years after the date of initial installation of cable facilities. If customers illegally attach to GTESW's cable, GTESW would be authorized to remove or disable its cable if the customer did not remedy the problem within a reasonable amount of time after notification. Mr. Costello further recommends that this provision require premise owners to reimburse the telephone company for the cost of placing cable facilities for up to nine years after the new facility has been installed (less depreciable value) when the party seeks to establish a new singular demarcation point where multiple demarcs were established and requested previously for the new facility. A nine year depreciation base ensures that a telephone company will recover the largest portion of its regulated network investment and that the owner requesting relocation of the demarcation point will not receive the installation of cable facilities on their premises free of charge.

d Order GTESW to revise its General-Exchange Tariff ("tariff") to add language that provides clear and concise cross-references to the practices and procedures associated with the location and relocation of the demarcation point/s on a customer's premises, including specific reference to its practice in GTEP 610-148-010

e Order GTESW to revise its tariff to change the definitions of both the "demarcation point" and "premises" in a manner consistent with the definitions set forth in Appendix II of the FCC Order in CC Docket No. 88-57. Mr. Costello recommends that the existing definition of "premises" as it appears in GTE's Texas General Exchange Tariff Section 4, Sheet 14 be amended, in part, to read as follows:

... II. All of the buildings occupied by the same customer. Provide that: (1) all of the buildings are located on [the same plot of ground which is not intersected by a public highway] continuous property, which is owned and/or leased by the same customer, and is not separated by a public highway, except as otherwise provided in this tariff. (2) In the case of rural all building within 500' [feet] of the main service location.

Note: A public highway is considered to mean a vehicular thoroughfare which is governmentally owned.

The wording underlined is not presently a part of the definition identified in the tariff. Mr. Costello recommends adding this language to the existing tariff definition, while deleting the wording identified in brackets. Mr. Costello believes that these modifications will provide a more thorough and concise definition of the term "premises."

f Order GTESW to clarify within its tariff the circumstances under which GTESW is required to relocate existing demarc points for both single & multiunit premises.

1. Mr. Costello recommends that GTESW be required to move existing demarcs in multiunit installations at the owner's request (subject to the nine year limitation for new installations) or when an owner attaches to GTESW-owned cable without authorization (if a customer attaches without authorization, the telephone company should inform the owner of the problem and allow the owner a reasonable amount of time to correct the problem before taking action).

2. Mr. Costello recommends that GTESW be required to relocate the demarc point in existing single unit installations 1) at the owner's request, 2) upon illegal attachment; 3) when facilities exhaust; or 4) when facilities expire.

g. Order GTESW to elect within its tariff whether it will establish the demarc point/s at the minimum point of entry. If GTESW does not elect to establish the demarc point/s at a minimum point of entry, but rather elects to have multiple demarcation points on multitenant properties, Mr. Costello recommends that GTESW be ordered to include the following language in its tariff: "At this time, GTESW has elected not to establish a practice of placing the demarcation point at the minimum point of entry for multiunit premises. However, at the customer's request, GTESW will provide the demarcation point at the MPOE in existing installations, and as appropriate, in new installations."

h Order GTESW to include language in the tariff explaining the rights of owner's when new cable facilities are placed at their premises, including the nine year rule, as discussed in section (c) above

I Finally, GTE should be ordered to revise its GTEP practice 610-148-010 to conform with the ordered tariff revisions. Mr. Costello also recommends that GTE amend its internal demarcation guidelines as follows

1. At page 7 of its Demarcation Guidelines, GTE identifies simple wiring as, "all one and two-line telephone wiring." Mr. Costello recommends changing this wording to identify simple wiring to include, wiring for up to four lines.

2. At page 29 of its Demarcation Guidelines, GTE indicates that for existing single unit locations the demarcation will revert to the nearest protected network terminal (showing network terminals on each floor of a multi-story building). Page 9 of the guidelines indicates that, the demarcation must revert "as close as practical to the protector on existing locations" and implies that multiple demarcation points should remain in place on each floor. Because this policy can only be the case until facilities exhaust, Mr. Costello recommends that GTE clarify these statements to indicate that upon facilities exhaust or expiration, one singular point of demarcation should be established at existing single-unit locations thereby collapsing multiple floor demarcs to one demarcation point.

3. Mr. Costello recommends that the circumstances under which GTE should relocate existing demarcations be incorporated into the Company's practices to the extent that they are not already clearly identified in GTE's Demarcation Guidelines.

PUC DOCKET NO. 14147
SOAH DOCKET NO. 473-95-1190

COMPLAINT OF GE CAPITAL RESCOM	§	PUBLIC UTILITY COMMISSION
AND MULTITECHNOLOGY SERVICES,	§	
L.P. AGAINST GTE SOUTHWEST	§	OF TEXAS
INCORPORATED FOR REFUSAL TO	§	
RELOCATE DEMARCATION POINTS	§	

PROPOSED ORDER

In open meeting at its offices in Austin, Texas, the Public Utility Commission of Texas (Commission) finds that this docket was processed by an Administrative Law Judge in accordance with applicable statutes and Commission rules. The Proposal for Decision (PFD), containing findings of fact and conclusions of law, is **ADOPTED** and **INCORPORATED** by reference into this Order.

The Commission issues the following Order:

1. Complainants requested relief is **GRANTED** to the extent discussed in the PFD.
2. GTE-SW **SHALL** be permitted to charge a rearrangement fee necessary to establish a single demarcation point at the properties involved in this docket.
3. GTE-SW **SHALL** file a revised Shared Tenant Service Tariff with the Commission defining its demarcation practice within four months of the date of this Order.

4. All motions, applications, or other requests for relief, not expressly granted in this Order, are **DENIED**.

SIGNED AT AUSTIN, TEXAS the _____ day of _____ 1996.

PUBLIC UTILITY COMMISSION OF TEXAS

PAT WOOD, III, CHAIRMAN

ROBERT W. GEE, COMMISSIONER

JUDY WALSH , COMMISSIONER

ATTEST:

PAULA MUELLER
SECRETARY OF THE COMMISSION

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